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*Humboldt County, California*

*\$2,540,882.30 Improvement Bonds*

*McKinleyville Assessment District No. 1*

*Issued Under the Improvement Bond Act of 1915*

*Public debt County Humboldt  
Investments Public account  
Savings deposit McKinleyville*

*\$31,957.40*

*Certificates Representing Assessments Against Public Property in  
McKinleyville Assessment District No. 1*

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Bids to be received by a representative of the Board of Supervisors of Humboldt County at the offices of Stone & Youngberg Municipal Financing Consultants, Inc., One California Street, Suite 2750, San Francisco, California 94111, up to the hour of 2:00 o'clock p.m. (PDT) on Monday, August 30, 1976.







## NOTICE INVITING PROPOSALS

**\$2,540,882.30 IMPROVEMENT BONDS  
COUNTY OF HUMBOLDT  
McKINLEYVILLE ASSESSMENT DISTRICT NO. 1  
AND  
\$31,957.40 CERTIFICATES  
REPRESENTING ASSESSMENTS AGAINST PUBLIC PROPERTY  
McKINLEYVILLE ASSESSMENT DISTRICT NO. 1**

NOTICE IS HEREBY GIVEN that sealed proposals will be received and opened by a representative of the Board of Supervisors of Humboldt County at the offices of Stone & Youngberg Municipal Financing Consultants, Inc., One California Street, Suite 2750, San Francisco, California 94111, on

**MONDAY, AUGUST 30, 1976**

at the hour of 2:00 o'clock P.M. for the purchase in one lot of \$2,540,882.30 principal amount of improvement bonds of the County of Humboldt designated "Improvement Bonds, County of Humboldt, McKinleyville Assessment District No. 1" and \$31,957.40 principal amount of certificates representing assessments against public property in McKinleyville Assessment District No. 1. All proposals must be for the purchase of all of the bonds and the certificates hereby offered for sale, and will be considered subject to the following terms and conditions:

**DESCRIPTION OF BONDS:** \$2,540,882.30 principal amount of bonds, issued under and pursuant to the Municipal Improvement Act of 1913 and the Improvement Bond Act of 1915, numbered consecutively from 1 to 509, inclusive, dated August 26, 1976, all in the denomination of \$5,000 (except for bond number 1, which is in the denomination of \$882.30). The bonds will mature serially in consecutive numerical order according to the following schedule:

<u>Maturity Date</u> <u>(July 2)</u>	<u>Principal</u> <u>Amount</u>	<u>Maturity Date</u> <u>(July 2)</u>	<u>Principal</u> <u>Amount</u>
1977 .....	\$ 60,882.30	1990 .....	\$ 95,000.00
1978 .....	35,000.00	1991 .....	100,000.00
1979 .....	40,000.00	1992 .....	110,000.00
1980 .....	45,000.00	1993 .....	120,000.00
1981 .....	45,000.00	1994 .....	125,000.00
1982 .....	50,000.00	1995 .....	135,000.00
1983 .....	55,000.00	1996 .....	150,000.00
1984 .....	60,000.00	1997 .....	160,000.00
1985 .....	65,000.00	1998 .....	175,000.00
1986 .....	70,000.00	1999 .....	185,000.00
1987 .....	75,000.00	2000 .....	200,000.00
1988 .....	80,000.00	2001 .....	220,000.00
1989 .....	85,000.00		

Any bond may be redeemed on any January 2 or July 2 prior to its fixed maturity date, at the option of the Treasurer of the County of Humboldt, upon giving the notice provided in the Improvement Bond Act of 1915 and upon payment of the principal amount thereof and interest accrued thereon to the date of redemption, plus a redemption premium of five per cent (5%) of the principal amount thereof.

**DESCRIPTION OF CERTIFICATES:** \$31,957.40 principal amount of certificates, issued under and pursuant to the Municipal Improvement Act of 1913 and the Improvement Act of 1911, dated August 26, 1976. Each of the certificates is issued upon and represents an unpaid assessment against public property in said proceedings, and is payable exclusively from the assessment levied upon the lot or parcel of land described on the face of such certificate for the payment of the improvement therein described. Each certificate matures in installments (which are in even annual proportions of the total assessment) on June 2 in each of the years 1978 to 1982, inclusive.

**INTEREST RATE:** Maximum eight per cent (8%) per annum, payable (for the bonds) on January 2, 1977 and semiannually thereafter on January 2 and July 2 in each year, and payable (for the certificates) on June 2, 1978 and semiannually thereafter on June 2 and December 2 of each year. Bidders must specify the rates of interest which the bonds and certificates hereby offered for sale shall bear. Bidders may specify any number of separate interest rates, and any rate may be repeated as often as desired; provided, however, that (i) the same rate of interest must be bid for all of the certificates and for all of the bonds maturing on July 2, 1977 through July 2, 1982; (ii) the difference between the highest and lowest coupon rates specified in any bid shall not exceed two per cent (2%); (iii) each interest rate speci-

fied must be a multiple of 1/20 of 1% and a zero rate of interest cannot be specified; (iv) no bond or certificate shall bear more than one rate of interest, no interest payment shall be evidenced by more than one coupon and supplemental coupons will not be permitted; (v) each bond and certificate shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; (vi) all bonds of the same maturity shall bear the same rate of interest; and (vii) any premium must be paid in bank funds as part of the purchase price, and no bid will be accepted which provides for the cancellation and surrender of any interest coupon or for the waiver of interest or other concession by the bidder as a substitute for payment in full of the purchase price in bank funds. Bids which do not conform to the terms of this paragraph will be rejected.

**PAYMENT:** Both principal and interest on the bonds and certificates are payable in lawful money of the United States of America at the office of the Treasurer of the County of Humboldt, in Eureka, California.

**EXECUTION AND REGISTRATION:** Coupon bonds and certificates will be issued by the County of Humboldt. The bonds and certificates will be executed by the manual signature of at least one official authorized to execute the same. The bonds and certificates are registrable only as to both principal and interest, and after being registered are not subject to discharge from registration.

**SECURITY OF BONDS:** The bonds are issued upon and secured by unpaid assessments levied in assessment proceedings, and such unpaid assessments, together with interest thereon, constitute a trust fund for the redemption and payment of the principal of the bonds and the interest thereon, and all the bonds are secured by the moneys in the redemption fund created pursuant to said proceedings and by the unpaid assessments, and, including principal and interest, are payable exclusively out of said redemption fund. Under the circumstances provided in the Improvement Bond Act of 1915, the County of Humboldt, in the absence of any other bidder, is obligated, by deposits into the redemption fund, to purchase land at delinquent assessment sales and to pay future delinquent installments of assessments and interest thereon until such land is resold by the County of Humboldt or redeemed and, if there are no funds available therefor in the County of Humboldt treasury, to levy a special tax upon the taxable property in the County of Humboldt, not to exceed \$.10 on each \$100 of assessable property in any one year, to raise funds sufficient for such purpose.

**TAX EXEMPT STATUS:** In the event that prior to the delivery of the bonds and certificates (a) the income received by any private holder from bonds or certificates of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax law, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court; or (b) any federal income tax law is adopted which will have a substantial adverse tax effect on holders of the bonds or certificates as such, the successful bidder may, at his option, prior to the tender of the



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bonds and certificates by the County of Humboldt, be relieved of his obligation under the contract to purchase the bonds and certificates and in such case the deposit accompanying his bid will be returned.

**LEGAL OPINION:** The legal opinions of Orrick, Herrington, Rowley & Sutcliffe, of San Francisco, California, approving the validity of the bonds and the validity of the certificates will be furnished to the successful bidder without charge. A copy of the legal opinion on the bonds, certified by the officer in whose office the original is filed, will be printed on each bond without charge to the successful bidder. A copy of the legal opinion on the certificates, certified by the officer in whose office the original is filed, will be printed on each certificate without charge to the successful bidder.

### TERMS OF SALE

**HIGHEST BID:** Each proposal must be for all of the bonds and certificates. The bonds and certificates will be awarded to the highest bidder bidding for the bonds and certificates, considering only the interest rates specified for the bonds and the premium offered, if any, or the discount bid, if any, for the bonds. The highest bid will be determined by deducting the amount of the premium bid (if any) from, or by adding the amount of the discount bid (if any) to, the total amount of interest which the County of Humboldt would be required to pay from the date of the bonds to their respective maturity dates at the coupon rates specified in the bid, and the award will be made on the basis of the lowest net cost for the bonds to the County of Humboldt. The purchaser must pay accrued interest from the date of the bonds and certificates to the date of delivery. All interest will be computed on a 360-day basis. The cost of printing the bonds and certificates will be borne by the County of Humboldt.

**RIGHT OF REJECTION:** The Board of Supervisors of Humboldt County reserves the right, in its discretion, to reject any and all proposals and to waive any irregularity or informality in any proposal.

**PROMPT AWARD:** The Board of Supervisors of Humboldt County will take action awarding the bonds and certificates or rejecting all bids not later than 36 hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time of award is waived by the successful bidder.

**PROMPT DELIVERY:** Delivery of the bonds and certificates will be made to the successful bidder at the office of the Treasurer of the County of Humboldt, in Eureka, California, as soon as the bonds and certificates can be prepared, which it is estimated will be within fifteen (15) days from the receipt of bids. Payment for the bonds and certificates must be made in bank funds immediately available to the County of Humboldt, in Eureka, California.

**RIGHT OF CANCELLATION:** The successful bidder shall have the right, at his option, to cancel the contract of purchase if the County of Humboldt shall fail to execute the bonds and certificates and tender the same for delivery within sixty (60) days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying his bid.

**DISCOUNT:** No discount may be specified which is in excess of three per cent (3%) of the par value of the bonds and certificates offered for sale.

**FORM OF BID:** All bids must be for not less than all of the bonds and certificates and accrued interest to date of delivery, plus such premium or less such discount as is specified in the bid. Each proposal, together with bidder's check, must be enclosed in a sealed envelope addressed to the Board of Supervisors of Humboldt County and endorsed "Proposal for Improvement Bonds, County of Humboldt, McKinleyville Assessment District No. 1 and Certificates Representing Assessments Against Public Property, McKinleyville Assessment District No. 1." All proposals must be delivered to the representative of the Board of Supervisors of Humboldt County prior to 2:00 o'clock P.M. on August 30, 1976 at the place first hereinabove described.

**BID CHECK:** With each proposal must be submitted a certified check or cashier's check for \$25,000 drawn on a bank or trust company transacting business in the State of California, payable to the order of the Treasurer of the County of Humboldt, to secure the County of Humboldt from any loss resulting from the failure of the bidder to comply with the terms of his bid. Checks of all bidders (except the successful bidder) will be returned by mail promptly following the sale date above specified. No interest will be paid upon the deposit made by any bidder.

**NET INTEREST COST:** Bidders are requested, but not required, to supply an estimate of the total net interest cost and the estimated net interest rate to the County of Humboldt on the basis of their respective bids, which shall be considered as informative only and not binding on either the bidder or the County of Humboldt.

**OFFICIAL STATEMENT:** The County of Humboldt has prepared an Official Statement, a copy of which will be furnished upon request to the County Clerk of the County of Humboldt or to Stone & Youngberg Municipal Financing Consultants, Inc., Suite 2750, One California Street, San Francisco, California, the County of Humboldt's financing consultant. The County will provide the successful bidder 250 copies of the Official Statement at the expense of the County, if so requested.

The County of Humboldt will furnish to the purchaser of the bonds and certificates no-litigation certificates, certifying that there is no controversy or litigation pending concerning the validity of the bonds or the certificates or the levy and collection of the assessments securing the same, or the existence of McKinleyville Assessment District No. 1 or of the County of Humboldt, or the title of the officers thereof to their respective offices, or the award of the construction contracts for the making of the improvement in said assessment district,

Dated: August 11, 1976

DONALD R. MICHAEL

County Clerk and ex-officio Clerk of the Board of Supervisors of the County of Humboldt

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Pat Dorsey, *Vice Chairman*

Donald F. Peterson (retired July 9, 1976)

O. H. Bass

Ervin C. Renner

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Ronald S. Holden, *County Administrator*

Guy C. Kulstad, *Director of Public Works*

Neil F. Prince, *County Auditor-Controller*

Stephen A. Strawn, *County Treasurer-Tax Collector*

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**McKinleyville Community Services District**

**Board of Directors**

Grant A. Ramey, *President*

Edward E. Estes, *Vice President*

Archie M. Forson

Gary Stockwell

Julius M. Hooven

---

Charles J. Johnson, *District Manager and Secretary*

---

**Professional Services**

Orrick, Herrington, Rowley & Sutcliffe, *San Francisco*  
*Bond Counsel*

Winzler and Kelly  
Eureka, California  
*Consulting Engineers*

Stone & Youngberg  
Municipal Financing Consultants, Inc.  
*San Francisco and Los Angeles*  
*Financing Consultants*

James R. Hooper  
Crescent City, California  
*Special Legal Counsel*

**THE DATE OF THIS OFFICIAL STATEMENT IS AUGUST 11, 1976**





BOARD OF SUPERVISORS  
**COUNTY OF HUMBOLDT**  
EUREKA, CALIFORNIA 95501    PHONE (707) 445-7471

August 11, 1976

To Whom it May Concern:

The purpose of this Official Statement is to supply information to prospective purchasers of \$2,540,882.30 McKinleyville Assessment District No. 1 Bonds to be issued by the County of Humboldt pursuant to the Improvement Bond Act of 1915 and of \$31,957.40 Certificates evidencing ownership of unpaid assessments levied against publicly-owned property to be issued pursuant to the Improvement Act of 1911.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultants in connection with the McKinleyville Assessment District No. 1 project and the firm will receive compensation contingent upon the sale and delivery of bonds and certificates.

The legal opinion approving the validity of the Bonds and Certificates will be furnished by Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, Bond Counsel.

At the time of payment for and delivery of the Bonds and Certificates the County will furnish the successful bidder a certificate signed by an appropriate officer of the County acting in his official capacity to the effect that to the best of his knowledge and belief and after reasonable investigation,

(a) Neither the Official Statement nor any amendment or supplement to it contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein in light of the circumstances in which they were made not misleading;

(b) Since the date of the Official Statement, no event has occurred which should have been set forth in an amendment or supplement to the Official Statement;

(c) Nor has there been in any matter adverse change in the operation or financial affairs of the County since the date of the Official Statement.

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations other than those contained in this Official Statement and any supplement or amendment, and if given or made, such information or representation must not be relied upon as having been authorized by the County.

This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Bonds and Certificates by a person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The execution and distribution of this Official Statement have been authorized by the Board of Supervisors of the County of Humboldt.

RAUL C. MURGUIA

*Chairman*

*Board of Supervisors of the County of Humboldt*

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Map of Northern California showing McKinleyville and Eureka and their relation to the northern portion of the state.



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# INTRODUCTION

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Humboldt County is located on the Pacific Coast 270 miles north of San Francisco and 100 miles south of the Oregon state line. Eureka is the county seat and largest city, with nearly one-quarter of the County's total population of 105,000 persons. Leading industries in Humboldt County are lumber and wood products, tourism, and commercial fishing.

The project area is the unincorporated community of McKinleyville, in west coastal Humboldt County about 10 miles north of the City of Eureka, and lies within the McKinleyville Community Services District. The project site encompasses an area of approximately seven square miles. The existing land use in the project area is highly diversified and consists of several subdivisions, single and multiple residences, several mobilehome parks, commercial development, several working farms, and unimproved flood plain and prairie land.

The general objective of the project is to provide adequate sewage collection and treatment for the residents of McKinleyville. The area is presently served by inadequate private individual sewage disposal systems. The improvements consist of approximately 40 miles of sewage collection and transmission lines, 3 lift stations, and appurtenances. Construction bids for the project have been received by the County, and the low bids for all construction schedules total \$6,197,179. The total estimated project costs of \$8,808,515 including contingencies and incidentals will be met by estimated state and federal grants of \$5,913,224.50, cash collections of \$322,450.80, and proceeds from the sale of the \$2,540,882.30 principal amount of Bonds and \$31,957.40 principal amount of Certificates offered herein. Subsequent to the receipt of construction bids, a protest was filed by one bidder. The protest is pending before the Environmental Protection Agency. The effect of this protest is fully discussed in "The Project" section of this Official Statement.

The improvement proceedings for the McKinleyville Assessment District No. 1 are being conducted pursuant to the Municipal Improvement Act of 1913

in accordance with the Resolution of Intention adopted by the Humboldt County Board of Supervisors on April 27, 1976. The Bonds represent the unpaid assessments levied against private property in the assessment district in accordance with the provisions of the Municipal Improvement Act of 1913, and will be issued pursuant to the Improvement Bond Act of 1915. The Certificates evidence ownership of unpaid assessments levied against publicly-owned property in accordance with the provisions of the Municipal Improvement Act of 1913, and will be issued in accordance with the provisions of the Improvement Act of 1911.

Each Certificate is secured by the obligation of the public entity owning the assessed property to levy a tax sufficient to meet the annual cost of both principal and interest on such Certificate.

Under provisions of the Improvement Bond Act of 1915 installments of principal and interest sufficient to meet annual bond service are to be collected on the regular property tax bills sent to owners of property against which there are unpaid assessments. These annual installments are to be paid into the Redemption Fund, which will be held by the County Treasurer and used to pay bond principal and interest as they become due. The installments billed against each property each year represent a pro rata share of the total bond principal and interest coming due that year, based on the percentage which the unpaid assessment against the property bears to the total of unpaid assessments against private property in connection with the project.

In the event of delinquencies in the payment of the property owner's installments, the Board of Supervisors of Humboldt County is obligated, in the absence of any other bidder, by deposits into the Redemption Fund, to purchase land at delinquent assessment sales and to pay future delinquent installments of assessments from any available funds. If the County does not have sufficient funds for this purpose, it is required to levy a tax in any amount up to a maximum of \$0.10 per \$100 assessed valuation. The tax must be levied against all taxable properties in the County. The obligation to levy the tax, if required, continues each year until bond principal and interest are paid.

Based on the County's preliminary 1976/77 assessed valuation (\$472,249,810), the maximum tax rate which would be required to raise an amount equal to the maximum estimated annual bond service is \$0.0503 per \$100 assessed valuation.



# THE BONDS AND CERTIFICATES

## Authority for Issuance

The improvement proceedings for the County of Humboldt, McKinleyville Assessment District No. 1 (hereinafter referred to as the "Assessment District") are being conducted pursuant to the Municipal Improvement Act of 1913 and in accordance with the Resolution of Intention adopted by the Humboldt County Board of Supervisors on April 27, 1976. The Bonds represent the unpaid assessments levied against private property in the Assessment District in accordance with the provisions of the Municipal Improvement Act of 1913, and will be issued pursuant to the Improvement Bond Act of 1915. The Certificates evidence ownership of unpaid assessments levied against publicly-owned property in the Assessment District in accordance with the provisions of the Municipal Improvement Act of 1913, and will be issued in accordance with the provisions of the Improvement Act of 1911.

## Terms of Sale

Bids for the purchase of the Bonds and Certificates will be received by a representative of the Board of Supervisors of the County of Humboldt at 2:00 p.m., Monday, August 30, 1976, at the offices of Stone & Youngberg Municipal Financing Consultants, Inc., Suite 2750, One California Street, San Francisco, California 94111. The Notice Inviting Proposals, adopted by the Board of Supervisors on August 11, 1976, provides:

1. for a maximum interest rate of eight percent (8%) on the Bonds and Certificates;

2. that bonds maturing in 1977-82, inclusive, and that certificates maturing in installments in 1978-82, inclusive, shall have only one and the same interest rate;

3. that no bid for less than ninety-seven percent (97%) of par for the Bonds and Certificates will be considered, and the Bonds and Certificates shall have only one and the same discount or premium, if any;

4. that no bid for less than all of the Bonds and all of the Certificates will be considered, and the bidder whose bid results in the lowest net interest cost for all of the Bonds only shall be awarded both the Bonds and Certificates, regardless of whether another bid may result in a lower net interest cost for the Certificates alone.

Further details as to the terms of sale are included in the Notice Inviting Proposals, a copy of which is enclosed with this Official Statement.

## Description of the Bonds

The \$2,540,882.30 principal amount of Bonds will be dated August 26, 1976, will be numbered from 1 through 509 and will be issued in denominations of \$5,000, except for Bond Number 1, which will be issued in the denomination of \$882.30. The first 4.2 months' interest on the Bonds will be payable on January 2, 1977. Interest will be payable semiannually thereafter on July 2 and January 2 of each year. Both principal and interest are payable at the office of the County Treasurer in Eureka, California. The Bonds will mature on July 2 in each of the years and in the amounts shown in the following maturity schedule.

### MATURITY SCHEDULE

Maturity Date (July 2)	Principal Amount	Maturity Date (July 2)	Principal Amount
1977 ...	\$ 60,882.30	1990 ...	\$ 95,000.00
1978 ...	35,000.00	1991 ...	100,000.00
1979 ...	40,000.00	1992 ...	110,000.00
1980 ...	45,000.00	1993 ...	120,000.00
1981 ...	45,000.00	1994 ...	125,000.00
1982 ...	50,000.00	1995 ...	135,000.00
1983 ...	55,000.00	1996 ...	150,000.00
1984 ...	60,000.00	1997 ...	160,000.00
1985 ...	65,000.00	1998 ...	175,000.00
1986 ...	70,000.00	1999 ...	185,000.00
1987 ...	75,000.00	2000 ...	200,000.00
1988 ...	80,000.00	2001 ...	220,000.00
1989 ...	85,000.00		

## Redemption of Bonds

Any bond may be called for redemption prior to maturity on any January 2 or July 2 upon payment



of 105 percent of par value, plus accrued interest to the date of redemption. Notice of redemption must be given by publication, personal service or registered mail at least 60 days prior to the redemption date. The determination as to which bond or bonds are to be called will be made by the Treasurer of Humboldt County in accordance with Part 11.1 of the Improvement Bond Act of 1915.

## Description of the Certificates

Certificates of Ownership of Assessment in the principal amount of \$31,957.40 will be issued to evidence ownership of unpaid assessments levied against publicly-owned property, as shown in the following tabulation:

Public Entity Owning Assessed Property	Assessment Number	Amount of Unpaid Assessment
County of Humboldt . . . . .	2-001A	\$20,000.00
McKinleyville Union School District . . . . .	10-003	6,121.80
McKinleyville Union School District . . . . .	13-038	4,665.60
Arcata Fire Protection Dis- trict . . . . .	17-002	1,170.00
		<u>\$31,957.40</u>

The Certificates will be dated August 26, 1976. One-fifth of the principal amount of each Certificate will become payable by coupon on June 2, beginning June 2, 1978 and ending June 2, 1982. Interest for the first 21.2 months is payable on June 2, 1978. Interest will be payable semiannually thereafter on December 2 and June 2 of each year. Both principal and interest on the Certificates is payable at the office of the County Treasurer in Eureka, California.

## Redemption of Certificates

In the event any public entity owning property against which an assessment has been levied, and which is represented by a Certificate, shall sell said property prior to the maturity and payment in full of all of the Certificate representing such assessment, then all of such outstanding Certificate shall be immediately payable in full together with accrued interest thereon not later than sixty (60) days from the date of sale without redemption premium. Interest upon said Certificate shall cease and terminate at the date designated for payment thereof in full,

provided funds for the payment of all such principal and interest to such date have been paid into the County of Humboldt, McKinleyville Assessment District No. 1 Certificate Redemption Fund.

## Registration

The Bonds and the Certificates will be issued in coupon form, registrable only as to both principal and interest, and after being registered will not be convertible into coupon Bonds or Certificates.

## Legal Opinion

All proceedings in connection with the issuance of the Bonds and Certificates are subject to the approval of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, bond counsel for Humboldt County in connection with the Assessment District project.

The unqualified opinions of Orrick, Herrington, Rowley & Sutcliffe attesting, respectively, to the validity of the Bonds and Certificates will be supplied free of charge to the original purchasers of the Bonds and Certificates and will be printed on the Bonds and Certificates.

## Tax Exempt Status

In the opinion of bond counsel interest on the Bonds and Certificates is exempt from all present federal income taxes and from State of California personal income taxes under existing statutes, regulations and court decisions.

## Purpose of the Proceeds of the Bonds and Certificates

Proceeds from the sale of the Bonds and Certificates, together with cash collections and federal and state grants, will be used to finance the construction of public improvements as described in "The Project" section of this Official Statement.

## Disposition of Surplus Funds

If any surplus funds remain after completion of the improvements, the Board of Supervisors may use such surplus for one or more of the following purposes: for the maintenance of the improvement; as a credit upon the assessment of any supplemental assessment; or an amount up to \$1,000 may be transferred to the general fund of the County.



Resolution of Intention No. 76-63, adopted on April 27, 1976, by the Board of Supervisors, provides that any such surplus shall be used for the maintenance of the improvement; upon notice and hearing the Board of Supervisors can change this determination.

## **Security of the Bonds**

Under the provisions of the Improvement Bond Act of 1915 installments of principal and interest sufficient to meet annual bond service are to be collected on the regular county tax bills sent to owners of property against which there are unpaid assessments. These annual installments are to be paid into the Redemption Fund, which will be held by the County Treasurer and used to pay bond principal and interest as they become due. The installments billed against each property each year represent a pro rata share of the total principal and interest coming due that year, based on the percentage which the unpaid assessment against that property bears to the total of unpaid assessments in connection with the project.

In the event of delinquencies in the payment of the property owners' installments, the Board of Supervisors of Humboldt County, in the absence of any other bidder, is obligated, by deposits from any available funds into the Redemption Fund, to purchase land at delinquent assessment sales and to pay future delinquent installments of assessments and interest thereon until the land is resold or redeemed.

If the county does not have sufficient funds for the purpose, it is required to levy a tax in any amount, up to a maximum of 10 cents per \$100 assessed valuation, in order to raise the amount required to be transferred to the Redemption Fund to cover delinquencies. The tax must be levied against all taxable properties in the county. The obligation to levy the tax, if required, continues each year until bond principal and interest are paid. Based on the county's preliminary 1976/77 assessed valuation (\$472,249,810), the maximum tax rate which would be required to be levied against all taxable property in the county in order to raise an amount equal to the maximum annual bond service is \$0.0503 per \$100 assessed valuation.

## **Security of the Certificates**

Each certificate is secured by the obligation of the public entity owning the assessed property against which the certificate was issued to levy a tax suffi-

cient to meet the annual principal and interest payment on such certificate.

## **MBIA Insurance**

The county has applied for a commitment for municipal bond insurance from the Municipal Bond Insurance Association ("MBIA"), formed for the purpose of guaranteeing new issues of municipal bonds. MBIA guarantees unconditionally and irrevocably the full and prompt payment of principal and interest to the paying agent of the Bonds and Certificates. The Bonds will be offered either as insured obligations under the MBIA guaranty or as uninsured obligations, at the option of the bidder offering to buy the Bonds and Certificates.

MBIA has indicated that if the insurance is issued, it will be issued either for all of the Bonds only, or for all of the Bonds and Certificates. Insurance will not be issued for the Certificates alone.

Should a bidder elect to obtain the insurance from MBIA, the cost of such insurance (a single, lump sum premium) shall be payable by the purchaser of the Bonds and Certificates at the time of bond delivery. A copy of the policy will be attached to or printed on guaranteed bonds and certificates.

The following information regarding the MBIA municipal bond guaranty insurance program has been obtained from material published by or on behalf of MBIA.

If the issuer of MBIA guaranteed bonds fails to deposit full payment with the paying agent on the date required, MBIA's members will deposit with Citibank, N.A., New York City, as Fiscal Agent for MBIA, funds sufficient to cover fully the deficit in the paying agent's account. If notice of non-payment is received on or after the due date, MBIA will provide for payment on the business day following receipt of the notice. Upon payment by MBIA of coupons or bonds, MBIA becomes the owner thereof. The issuer is not relieved of its obligation by MBIA's payment. MBIA has obtained a ruling from the IRS that neither the insurance protection nor payment thereunder will affect the exemption of interest on the bonds from Federal income taxes.

In evaluating MBIA's Insurance Guaranty there are many important considerations; however, a prime feature is the quality of the member companies of MBIA. These companies, Aetna Casualty and Surety Company, St. Paul Fire and Marine Insurance Com-



pany, Aetna Insurance Company, and United States Fire Insurance Company, are among the oldest, largest and strongest companies in the nation. The percentage participation of the member companies in MBIA has been established in approximate relationship to the size of the companies and is as follows: Aetna Casualty and Surety—40%, St. Paul Fire and Marine—30%, Aetna Insurance Company—15%, U.S. Fire—15%. The policy is a several but not joint obligation of the participating insurance companies.

Standard & Poor's Corporation rates all new issues insured by MBIA "AAA," Prime Grade.

## Eligibility for National Banks

A request has been made to the Comptroller of the Currency for a ruling that the Bonds and Certificates are eligible for purchase, dealing in, underwriting and unlimited holding by national banks. The ruling is expected prior to the date of sale of the Bonds and Certificates.

## Maximum Annual Bond Service

Table 1 shows a schedule of maximum annual bond service for the Bonds, based on the legal maximum interest rate of eight percent (8%).

**Table 1**  
**HUMBOLDT COUNTY**  
**McKINLEYVILLE ASSESSMENT DISTRICT NO. 1**  
**Maximum Annual Bond Service**

Year Ending July 2	Principal Outstanding	Estimated Interest at 8%	Principal Maturing July 2	Total Bond Service
1977 .....	\$2,540,882.30	\$ 172,780.00 <sup>①</sup>	\$ 60,882.30	\$ 233,662.30
1978 .....	2,480,000.00	198,400.00	35,000.00	233,400.00
1979 .....	2,445,000.00	195,600.00	40,000.00	235,600.00
1980 .....	2,405,000.00	192,400.00	45,000.00	237,400.00
1981 .....	2,360,000.00	188,800.00	45,000.00	233,800.00
1982 .....	2,315,000.00	185,200.00	50,000.00	235,200.00
1983 .....	2,265,000.00	181,200.00	55,000.00	236,200.00
1984 .....	2,210,000.00	176,800.00	60,000.00	236,800.00
1985 .....	2,150,000.00	172,000.00	65,000.00	237,000.00
1986 .....	2,085,000.00	166,800.00	70,000.00	236,800.00
1987 .....	2,015,000.00	161,200.00	75,000.00	236,200.00
1988 .....	1,940,000.00	155,200.00	80,000.00	235,200.00
1989 .....	1,860,000.00	148,800.00	85,000.00	233,800.00
1990 .....	1,775,000.00	142,000.00	95,000.00	237,000.00
1991 .....	1,680,000.00	134,400.00	100,000.00	234,400.00
1992 .....	1,580,000.00	126,400.00	110,000.00	236,400.00
1993 .....	1,470,000.00	117,600.00	120,000.00	237,600.00
1994 .....	1,350,000.00	108,000.00	125,000.00	233,000.00
1995 .....	1,225,000.00	98,000.00	135,000.00	233,000.00
1996 .....	1,090,000.00	87,200.00	150,000.00	237,200.00
1997 .....	940,000.00	75,200.00	160,000.00	235,200.00
1998 .....	780,000.00	62,400.00	175,000.00	237,400.00
1999 .....	605,000.00	48,400.00	185,000.00	233,400.00
2000 .....	420,000.00	33,600.00	200,000.00	233,600.00
2001 .....	220,000.00	17,600.00	220,000.00	237,600.00
<b>TOTAL .....</b>		<b>\$3,345,980.00</b>	<b>\$2,540,882.30</b>	<b>\$5,886,862.30</b>

<sup>①</sup> Represents interest from August 26, 1976 to July 2, 1977 (10.2 months or 0.85 years).







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# THE PROJECT

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## Project Description

The site of the proposed project is the unincorporated community of McKinleyville and lies within the McKinleyville Community Services District. The site encompasses an area of approximately seven square miles and is located primarily on the prairies to the north of the Mad River and to the south of the Eureka-Arcata County Airport.

The general objective of the project is to provide adequate sewage collection and treatment for the residents of McKinleyville. Presently, a small, inadequate sewage treatment plant is in operation in the Grace Park subdivision and services a portion of the homes in the area. The remainder of the community utilizes septic tanks and leach fields for both domestic and commercial sewage disposal. Many of these septic systems are inadequate to non-functioning and present a potentially severe health hazard. The specific objectives of the program are therefore:

1. to relieve currently inadequate individual private sewage disposal systems;
2. to allow the abandonment of the currently inadequate Grace Park treatment plant;
3. to allow additional commercial and residential development in the community;
4. to remove the moratorium imposed by the Humboldt County Board of Supervisors which prohibits construction within the McKinleyville area until adequate measures for both sewage collection and treatment are implemented.

The project consists of approximately 39 miles of collector sewer lines, 527 manholes, 2,127 laterals to property and easement lines, 3 lift stations and one mile of pressure line. Ultimate sewage disposal will be accomplished at the proposed Humboldt Bay Wastewater Authority treatment plant on the Samoa Peninsula, several miles south of McKinleyville. As part of the Wastewater Authority project, a lift sta-

tion and interceptor sewer line to connect the terminus of the proposed McKinleyville collector system to the proposed Wastewater Authority treatment plant will be constructed. The Wastewater Authority construction plans and specifications are in the final design stage, and tentative approvals have been received from the appropriate agencies. It is anticipated that construction of the lift station and interceptor sewer line which the McKinleyville area will utilize will be completed at approximately the same time as the McKinleyville Assessment District No. 1 project.

The Humboldt Bay Wastewater Authority treatment plant which the McKinleyville area will utilize is not expected to be completed until approximately one year after the completion of the Assessment District project. An agreement has been executed between the McKinleyville Community Services District and the City of Arcata which provides for the treatment of the McKinleyville sewage at the Arcata treatment plant on an interim basis until the Wastewater Authority treatment facility is completed and available for use. As a part of the Assessment District project, it is proposed to construct approximately 1.5 miles of interceptor sewer line to connect the proposed Wastewater Authority interceptor sewer line to the Arcata treatment plant. After the McKinleyville area begins to make use of the Wastewater Authority treatment plant, the interceptor sewer line which is to be constructed as part of the Assessment District project will become the property of the City of Arcata. The McKinleyville Community Services District will then receive appropriate compensation for this interceptor sewer line.

The existing land use in the project area is highly diversified and consists of:

1. several high-density subdivisions;
2. widespread single-family and multiple-unit residences;
3. several mobilehome parks;
4. a high-density commercial area;
5. scattered commercial development;
6. several working farms;
7. unimproved flood plain and prairie land;
8. U.S. Highway 101, county roads and undedicated streets.

Zoning for the area is presently varied, and a general plan for the area is now under consideration.



## Estimated Project Costs and Sources of Funds

Table 2 shows a summary of the estimated project costs and sources of funds. On June 11, 1976, construction bids for the six construction schedules were received from contractors. No responsive bids were received for Schedule 5, and rebids were received on July 7, 1976. The tabulation following Table 2 summarizes the best bids:

**Table 2**

### HUMBOLDT COUNTY

### McKINLEYVILLE ASSESSMENT DISTRICT NO. 1

#### Estimated Project Costs and Sources of Funds

Construction Cost .....	\$6,197,179.00
Contingencies .....	619,718.00
Incidental Costs .....	1,991,618.00
Total Project Costs .....	\$8,808,515.00
State and Federal Grants .....	5,913,224.50
Cash Collections .....	322,450.80
Bond Proceeds .....	2,540,882.30
Certificate Proceeds .....	31,957.40
Total Sources of Funds .....	\$8,808,515.00

Con- struction Schedule	Contractor	Construction Bid
I	R. L. Thibodo, Inc. ....	\$1,322,264
II	R. L. Thibodo, Inc. ....	1,072,728
III	Christeve Corp. ....	2,086,183
IV	L. L. Jaeger .....	1,263,044
V	Johnson Structures, Inc.	326,740
VI	L. J. Duarte .....	126,220
	Total .....	\$6,197,179

A measure of uncertainty currently exists in connection with the construction contracts for the Project. One of the bidders has challenged the bids of the apparent low bidder on two of the construction schedules. The challenge was made initially to the Board of Supervisors of Humboldt County; that Board overruled the challenge. The challenging bidder has now appealed to the Regional Director of the Environmental Protection Agency ("EPA"), the federal agency from which federal grant funds for the Project are expected.

A decision from EPA is expected on or before August 19, 1976. Because of the importance of the federal funds to the total financing of the Project and because of the uncertain nature of the consequences of a ruling by EPA upholding the challenge, the sale of the Bonds and Certificates described in this Official Statement will be postponed unless EPA overrules the challenge prior to the date of sale set out above.

## Method of Assessment

The costs of the improvements were apportioned to benefited parcels in proportion to the estimated benefits received by the parcels.

Although existing land use in the McKinleyville area is highly diverse, a large majority of the parcels have common characteristics. More than one-half (55%) of all the parcels in the assessment district are smaller than one-half acre in area, and most of these lots are developed with single-family residences. Nearly 75% of the parcels are less than one acre, and less than 6% are greater than 5 acres.

Because a large majority of the parcels are small developed lots and because the sewerage system was designed primarily to serve the developed lots in the district, the local share of the costs of the system was assessed primarily against developed parcels having an area of one acre or less. For parcels larger than one-half acre only the area of the parcel which is within 600 feet of a proposed sewer in a public road or easement which is used as a road was assessed. Parcels and areas of parcels which were not within 600 feet of a collector sewer were not assessed.

Also, several large parcels of land currently used as working farms are within the jurisdiction of the California Coastal Zone Conservation Commission. Because of the probable restrictions on the development of these agricultural lands imposed by said Commission (see California Coastal Plan, page 17), such parcels were not assessed.

The method of assessment used in McKinleyville Assessment District No. 1 assigned most of the costs against relatively small developed lots. Large acreage was relatively lightly assessed. Of the more than 2,000 parcels in the Assessment District which were assessed, more than 80% are improved and developed for residential or commercial use.

The benefits to the properties within McKinleyville Assessment District No. 1 have been classified



into four categories: 1) the benefit of the availability of sufficient capacity in the sewerage system to serve existing development and facilitate anticipated development; 2) the benefit of access to or frontage along a proposed sewer line; 3) the benefit of an immediate and direct connection to the sewerage system; and 4) the benefit of oversizing of portions of the sewerage system to provide for parcels which are presently intensely developed.

General benefit from the sewage collection system was determined on the basis of the area (exclusive of roads and roadway easements) of a parcel which is within 600 feet of a sewer proposed to be constructed in a public road or a private easement which serves as a road. In order to equalize the assessments for parcels less than one-half acre, each such parcel was assessed on the basis of an area of one-half acre. The amount assessed was \$180 per acre, but not less than \$90 per such parcel.

Local benefit was estimated on the basis of the area (exclusive of roads and roadway easements) of a parcel which is within 200 feet of a sewer proposed to be constructed in a public road or private road-

way easement. In order to equalize the assessments for parcels less than one-half acre, each such parcel was assessed on the basis of an area of one-half acre. The amount assessed was \$540 per acre, but not less than \$270 per such parcel.

The benefit of an immediate and direct connection was estimated on the basis of one unit per each residential or commercial connection to the sewerage system. The amount assessed per connection was \$810. An undeveloped parcel with frontage on or access to a sewer was assigned one-half unit, at an assessment of \$405.

Surcharge units benefit were assessed to various parcels which are presently very intensely developed. The amount assessed per surcharge unit was \$225.

Appendix I, which accompanies this Official Statement, lists the properties within the Assessment District, the amount of the unpaid assessment, the 1975/76 assessed valuation of land and improvements, and the value : lien ratio for each parcel. The value : lien ratio is the ratio of the full value (which is four times the assessed value) of the land and improvements to the unpaid assessment.



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## FINANCIAL DATA

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### Assessed Valuations

Assessed valuations in the McKinleyville Community Services District (the "District") are established by the Humboldt County Assessor, except for public utility property, which is assessed by the State. According to preliminary figures from the State Board of Equalization, Humboldt County assessed valuations for the 1976/77 fiscal year average 22.2 percent of full cash value, while public utility property is assessed at 25 percent of full cash value by the State.

In addition to normal exemptions from ad valorem taxes such as public property and welfare institutions, the Constitution and Statutes of the State of California exempt a portion of the assessed valuation of business inventories and of owner-occupied dwellings, provided the owner files for such exemption. The homeowners' exemption is \$1,750, and the business inventory exemption is 50 percent of assessed valuation. Revenue lost by each taxing agency as a result of these two exemptions is reimbursed from state funds.

Following are preliminary 1976/77 assessed valuations for Humboldt County and for McKinleyville Community Services District, before and after the reimbursable exemptions noted in the above paragraph. As of July 1, 1976, the County Assessor has determined the preliminary assessed valuations for the local secured and unsecured tax rolls for fiscal year 1976/77. These assessed valuations are not yet equalized. In addition, the State Board of Equalization has not yet determined the assessed valuations for the 1976/77 utility property tax roll as of the date of this Official Statement.

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#### HUMBOLDT COUNTY AND MCKINLEYVILLE COMMUNITY SERVICES DISTRICT Preliminary Assessed Valuations 1976/77

Tax Roll	Humboldt County	McKinleyville C. S. D.
Secured① .....	\$363,523,390	\$ 7,194,400
Utility .....	29,411,100	778,220
Unsecured① .....	28,395,220	1,054,770
Net A.V. ....	\$412,329,710	\$ 9,027,390
State-reimbursed		
Exemptions .....	59,920,100	2,721,730
A.V. for Revenue		
Purposes .....	\$472,249,810	\$11,749,120

Source: County Auditor-Controller.

① 1976/77 secured and unsecured assessed valuations shown are preliminary. Utility property assessed valuations shown are for 1975/76.



Assessed valuations for the five previous years, including State-reimbursed exemptions, appear below.

Tax Year	Humboldt County	McKinleyville C. S. D.
1975/76 .....	\$434,559,160	\$11,356,730
1974/75 .....	414,089,930	10,540,370
1973/74 .....	371,036,080	9,996,950
1972/73 .....	304,592,100	9,481,890
1971/72 .....	283,875,300	8,372,120

Source: County Auditor-Controller.

## Tax Rates

The County of Humboldt provides for the assessment and collection of taxes in the District. Taxes on secured property appear on the same bill as County and school district taxes, are payable November 1 and February 1, and become delinquent on

December 10 and April 10. Taxes on properties assessed on the unsecured roll are assessed on March 1, and become delinquent the following August 31.

The District's 1975/76 tax rate is \$1.00 per \$100 assessed valuation, the same as the 1974/75 tax rate. No property tax was levied in 1972/73 or 1973/74.

There are five tax code areas in the District. Code Area 115-002 (1975/76 taxable assessed valuation \$7,536,260) contained over 85 percent of the District's total 1975/76 taxable assessed valuation. All tax rates in this code area for the past three years are listed in the following tabulation.

In Code Areas 115-002, 115-004, and 115-008 the total of all tax rates for 1975/76 is \$10.939 per \$100 assessed valuation, as shown below. In Code Areas 103-007 and 103-013, located in the Pacific School District, the total of all rates is \$10.868.

## TAX CODE AREA 115-002

### Tax Rates per \$100 Assessed Valuation

Tax Agency	1973/74	1974/75	1975/76
Humboldt County—General .....	\$2.319	\$ 2.770	\$ 2.981
Humboldt County—Library .....	.123	.123	.138
Humboldt County—Roads .....	.400	.400	.400
Elementary Schools .....	2.456	2.565	2.528
High School .....	2.490	2.260	2.451
Community College .....	.760	.784	.732
Other Education .....	.480	.289	.224
McKinleyville Community Services District .....	—	1.000	1.000
Arcata Fire Protection District .....	.450	.540	.441
Harbor Recreation and Conservation .....	—	.045	.044
Total .....	\$9.478	\$10.776	\$10.939

Source: County Auditor-Controller.

## Secured Tax Levies and Delinquency

As noted above, the District did not levy a property tax in 1972/73 or 1973/74. For the 1974/75 tax year the District's secured tax levy was \$76,109, of which \$72,716 had been collected as of June 30, or 95.5 percent of total secured taxes available for the year.

Most of the District is served by the McKinleyville Union School District. The five-year record of secured tax collections in that jurisdiction is presented on the next page as being representative of

current year tax collection experience in the McKinleyville area.

Data relating to prior year delinquent tax collections are not available for the above school district. The tabulation on the next page presents a five-year record of secured tax levies and collections for Humboldt County. The rate of current year delinquency averages a favorable 2.28 percent. The record of collections for prior year delinquent taxes is also very favorable, as reflected in the last column of the tabulation.



## McKINLEYVILLE UNION SCHOOL DISTRICT

### Secured Tax Levies and Collections

Year	County Secured Assessed Value	General Fund Tax Rate	Secured Taxes Levied	Collected as of June 30	Percent of Secured Taxes Collected, June 30
1970/71 .....	\$6,288,270	\$2.444	\$153,685	\$145,285	94.53%
1971/72 .....	6,770,570	1.510	102,236	98,012	95.87
1972/73 .....	8,151,930	1.894	154,398	145,751	94.40
1973/74 .....	8,383,830	1.339	112,260	109,510	97.55
1974/75 .....	9,179,640	1.469	134,849	130,268	96.60

Source: County Treasurer and Tax Collector.

## HUMBOLDT COUNTY

### Secured Tax Levies and Tax Delinquency

Year	Secured Tax Levy	Delinquent June 30	Percent Delinquent June 30	Prior Year Collections	Total Amount Collected	Total Percent Collected <sup>①</sup>
1970/71 .....	\$24,324,978	\$543,174	2.23%	\$ 714,107	\$24,495,911	100.70%
1971/72 .....	25,287,680	753,558	2.98	780,890	25,315,012	100.11
1972/73 .....	30,004,673	739,650	2.47	775,909	30,040,932	100.12
1973/74 .....	32,266,687	622,943	1.93	1,104,221	32,747,965	101.49
1974/75 .....	32,672,978	589,343	1.80	702,545	32,786,180	100.35

① As percent of current levy. Includes interest and penalties.

Source: County Treasurer and Tax Collector.

### Largest Taxpayers

The largest taxpayers in the Assessment District, in McKinleyville Community Services District, and in Humboldt County are listed in the tabulations below and on page 13.

One of the largest taxpayers (Simpson Timber Co.) in the parent district also ranks among the largest taxpayers in Humboldt County.

## McKINLEYVILLE ASSESSMENT DISTRICT NO. 1

### Largest Taxpayers 1975/76

Taxpayer	Business	Taxes Paid
Ernest Pierson .....	Investments, Development	\$19,021
Roderick Cushman (Safeway Stores) .....	Chain Food Store	8,350
Overhead Door Co. ....	Doors and Door Operators	6,578
Archie Forson .....	Rental Properties	6,062
Kenneth Dammen .....	Retail Store, Rentals	5,281
Herman Christiansen .....	Dairy	4,920
Miller Farms .....	Nursery	3,653
Humboldt Federal S.&L. ....	Savings Institution	3,575
Stanton's .....	Restaurant	2,791

Source: County Treasurer and Tax Collector.



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## McKINLEYVILLE COMMUNITY SERVICES DISTRICT

### Largest Taxpayers 1975/76

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Company	Business	Taxes Paid
Ernest Pierson .....	Investments, development	\$22,861
Simpson Timber Co. ....	Lumber, wood products	20,873
Archie Forson .....	Rental properties	13,753
Roderick Cushman (Safeway Stores) .....	Chain food store	8,350
Overhead Door Co. ....	Doors, door operators	6,578
Kenneth Dammen .....	Retail store, rentals	5,880
Julius Hooven .....	Rancher, logger	5,798
Herman Christiansen .....	Dairy	4,920
Edward Peterson .....	Restaurant	3,718
Miller Farms .....	Nursery	3,653

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Source: County Treasurer and Tax Collector.

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## HUMBOLDT COUNTY

### Largest Taxpayers 1975/76

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Company	Business	Taxes Paid
Louisiana-Pacific Corp. ....	Wood pulp and wood products	\$3,803,778
Pacific Lumber Company .....	Lumber, wood products	3,561,405
Simpson Timber Company .....	Lumber, wood products	2,056,147
Pacific Gas and Electric Co. ....	Utility	2,049,274
Crown Simpson Pulp Co. ....	Wood pulp	1,106,170
Arcata Redwood Co. ....	Lumber, plywood	963,445
Pacific Telephone Co. ....	Utility	759,069
Champion International .....	Wood products	243,415
Arcata Plywood Co. ....	Plywood	217,495
Eel River Sawmills, Inc. ....	Lumber	184,648
Texaco, Inc. ....	Petroleum products	156,685
Continental Telephone Co. ....	Utility	156,659
Barnum Timber Co. ....	Logs, lumber	148,498

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Source: County Treasurer and Tax Collector.

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## Retirement Systems

Employees of the McKinleyville Community Services District are covered under the Public Employees' Retirement System, administered by the State of California, as miscellaneous members. The program is designed to supplement Social Security coverage. Contributions by employer and employee are as follows:

Employer—Based on total monthly salaries.

(1) 0.14% until June 30, 2000, for prior service liability.

(2) 7.18% current service benefits.

(3) 1.0% increase commencing July 1, 1976, and for next two years.

Employee—Based on total monthly salaries, less \$133.33, less overtime if any.

(1) 7.0% current service benefits.

Humboldt County employees must participate in a retirement system as a condition of employment. Virtually all county employees are enrolled in California's Public Employees Retirement System (PERS), described below, and in the Federal Social

Security system. In the 1974/75 fiscal year, the following amounts were transmitted to State and Federal retirement systems by Humboldt County:

PERS—Employee Share .....	\$ 959,972.16
PERS—County Share .....	1,350,438.41
Social Security—Employee Share ...	708,545.09
Social Security—County Share .....	705,904.90

## Public Employees Retirement System

The State of California Public Employees' Retirement System was originally established in 1931. The System is governed by an eleven member Board of Administration. Administrative functions are carried out under the direction of an Executive Officer with a current staff of approximately 475. As of June 30, 1975, there were 535,786 members of which approximately 10% are classified as "safety" members (principally fire and police duties) and the balance are classified as "miscellaneous" members (management, administrative, staff, operational and clerical employees).

Approximately 33% of the members are state personnel and the balance (67%) are public agency personnel. As of June 30, 1975, the System provided retirement, death and survivor benefits under 901 contracts for about 1,900 public agency employees (cities, counties, and other public agencies) with 356,517 members. The System's funding is by employer and employee contributions together with investment income. Contributions fluctuate yearly depending on the number of members and their respective salary schedules. The annual contribution by the State of California for the 1974 and 1975 fiscal years, as reported by the State Controller, was \$162,649,578 and \$231,057,854, respectively. The System's financial statements are prepared on an accrual basis of accounting and the System's auditor is Coopers and Lybrand, Sacramento, California. Citicorp Investment Management, Inc., San Francisco, provides investment advisory services. The System's actuarial activities are conducted internally on a continuous basis, with an experience analysis being conducted no less than every four years.

Total assets of the System at June 30, 1975 were \$7,010,663,041, according to the Annual Report of the State Controller. Of this amount, net assets of \$6,970,264,122 were available for benefits. Compa-

table figures for June 30, 1974 were \$6,233,924,599 and \$6,207,963,069, respectively. The unfunded obligation of the System was determined to be \$4,907,998,387 at June 30, 1974 by the independent auditors. This represents the present value of future state contributions of approximately \$2.8 billion and other member contributions of approximately \$2.1 billion. The total unfunded obligation does not take into account the provisions of Chapter 187, Statutes of 1975, which prescribed a new increased contribution rate by the state with respect to state miscellaneous members. The comparable amount for June 30, 1975 is not available.

The amount of the respective unfunded liabilities will vary from time to time depending upon the actuarial assumptions utilized, rates of return and salary scales. The present System policy is designed to satisfy the unfunded obligation by the year 2000.

## Employer-Employee Relations

County employees may affiliate with the Humboldt County Public Employees Local 1684, American Federation of State, County, and Municipal Employees AFL-CIO. At present 686 county employees, about 52 percent of all county employees, have authorized payroll deductions for union dues. There have been no strikes or work stoppages by county employees for the past nine years.

## Revenues, Expenditures and Fund Balances

Summaries of revenues and expenditures for the most recent five-year period, for both McKinleyville Community Services District and Humboldt County, are presented in tabulations on page 15. Also shown is the District's adopted budget for 1975/76.

The County's General Fund Balance at June 30, 1975 was \$3,054,148, as shown in the County Financial Report for 1974/75.

## Direct and Overlapping Bonded Debt

As of August 30, 1976, Humboldt County's total gross and net direct and estimated overlapping bonded debt was \$27,028,102 and \$16,074,102 as presented in Table 3 on page 16.



**McKINLEYVILLE COMMUNITY SERVICES DISTRICT**  
**Revenues and Expenditures 1970/71-1974/75 and Adopted Budget 1975/76**

	1970/71	1971/72	1972/73	1973/74	1974/75	1975/76 Budget
<b>Revenues:</b>						
Water Sales and Sewer Revenue			\$ 30,742	\$ 188,014	\$ 182,281	\$ 180,980
Water Services .....						8,400
Property Tax .....					72,716	90,000
Subventions .....					21,856	
Interest .....		\$ 508	27,058	2,681	7,019	
Other .....	\$ 158	3,158①	12,042	6,690	18,076	59,809
Total .....	\$ 158	\$ 3,666	\$ 69,842	\$ 197,385	\$ 301,948	\$ 339,189
<b>Expenditures:</b>						
Water Purchases .....				\$ 32,868	\$ 33,697	\$ 34,720
Maintenance and Power .....				10,718	9,592	9,804
Salaries and Wages .....	\$ 4,178	\$ 4,205	\$ 36,834	42,896	54,401	58,716
Employee Benefits .....				7,414	9,403	7,380
Depreciation and Amortization .	62	85	18,819	86,821	93,081	
Debt Service .....	909	3,487	81,244	96,217	97,135	126,375
Other .....	9,074	5,044	14,749	20,616	21,592	101,984
Total .....	\$14,223	\$12,821	\$151,646	\$ 297,550	\$ 318,901	\$ 338,979
Cumulative Surplus (Deficit) ....	\$ (14,065)	\$ (23,220)	\$ (105,024)	\$ (205,189)	\$ (222,142)	\$ —

① Includes EEA Reimbursement \$3,137. Sources: District Audit Reports.

**HUMBOLDT COUNTY**  
**Summary of Revenues and Expenditures**

	1970/71	1971/72	1972/73	1973/74	1974/75
<b>Revenues:</b>					
Property Taxes .....	\$ 9,472,446	\$ 9,318,070	\$10,932,395	\$ 9,574,573	\$11,887,755
Other Taxes .....	597,402	571,552	731,907	1,078,698	917,529
Licenses and Permits .....	103,474	133,274	132,963	145,732	169,632
Fines and Penalties .....	348,672	365,473	347,880	361,156	350,088
Use of Money and Property .	489,332	405,563	523,361	881,160	1,041,429
From Other Gov't. Agencies .	12,813,728	13,324,421	17,385,031	16,418,425	15,635,829
Service Charges .....	671,505	737,211	1,825,097	1,203,321	1,497,259
Other .....	204,979	242,504	366,338	320,260	356,822
Total .....	\$24,701,538	\$25,098,068	\$32,244,972	\$29,983,325	\$31,856,343
<b>Expenditures:</b>					
General Government .....	\$ 2,408,517	\$ 2,528,233	\$ 2,861,264	\$ 3,439,865	\$ 4,090,795
Public Safety .....	3,851,790	4,101,681	4,520,244	5,409,720	6,551,610
Roads .....	2,952,599	4,163,866	4,899,899	5,427,687	5,860,633
Health and Sanitation .....	1,204,100	1,638,953	1,822,751	1,941,445	3,808,021
Public Assistance .....	12,582,882	13,332,378	13,116,633	12,373,234	10,570,650
Education .....	444,576	482,642	648,317	791,045	821,743
Recreation .....	316,359	322,752	398,072	147,097	166,269
Debt Service .....	171,545	165,100	149,794	170,344	150,585
Total .....	\$23,932,368	\$26,735,605	\$28,416,974	\$29,700,437	\$32,020,306

Source: State Controller's Report.

Table 3

## COUNTY OF HUMBOLDT

## Statement of Direct and Estimated Overlapping Bonded Debt

Population (estimated)① .....	105,000			
1975/76 Assessed Valuation .....	\$ 434,559,160			
Preliminary 1976/77 Assessed Valuation② .....	\$ 472,249,810			
Estimated 1975/76 Market Value③ .....	\$1,646,504,000			

  

	Percent Applicable (1975/76 Assessed Valuation)	Debt August 30, 1976④
County of Humboldt .....	100. %	\$ 840,000
Redwoods Community College District .....	99.296	1,787,328
High School Districts .....	100.⑤	4,636,287
Klamath-Trinity Unified School District .....	93.456	628,959
Other School Districts .....	100.⑥	1,194,528
Humboldt Bay Municipal Water District .....	100.	15,885,000⑦
Other Special Districts .....	100.	2,032,000
City of Blue Lake .....	100.	24,000
Total Gross Direct and Overlapping Bonded Debt .....		\$27,028,102⑧
Less self-supporting water bonds:		
Humboldt Bay Municipal Water District .....		10,930,000
City of Blue Lake .....		24,000
Total Net Direct and Overlapping Bonded Debt .....		\$16,074,102

  

	Ratio to			
	1975/76 Assessed Valuation	1976/77 Preliminary Assessed Valuation	Estimated 1975/76 Market Value	Per Capita
1975/76 Assessed Valuation .....	—%	—%	—%	\$4,138
1976/77 Preliminary Assessed Valuation .....	—	—	—	4,498
Direct Debt .....	.19	.18	.05	8
Total Gross Debt .....	6.22	5.73	1.64	257
Total Net Debt .....	3.70	3.40	.98	153

① State Department of Finance estimate for January 1976.

② Secured and unsecured assessed valuations for 1976/77 are preliminary and are not yet equalized; utility assessed valuations are for 1975/76.

③ The State Board of Equalization reported that 1975/76, 1976/77 Humboldt County assessed valuations averaged 26.5% and 22.2% of full value, respectively, with public utility property reportedly assessed at 25% of full value.

④ Excludes sales, if any, between August 11, 1976 and August 30, 1976.

⑤ All 100% except Trinity County Joint High School District, 2.234%.

⑥ All 100% except Mad River Joint School District, 18.794%.

⑦ Includes promissory notes.

⑧ Does not include (a) revenue bonds; (b) city, county and district 1915 Act bonds (\$1,721,730); nor (c) the bonds herein offered for sale.

Source of basic data: California Municipal Statistics, Inc., San Francisco, California.



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# ECONOMY OF THE AREA

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This portion of the Official Statement describes both the McKinleyville Community Services District and Humboldt County.

## THE DISTRICT

The McKinleyville Community Services District is located in west coastal Humboldt County, about 10 miles north of the City of Eureka and 295 miles north of San Francisco. The District encompasses approximately 18 square miles, and has a present estimated population of 8,500 people.

The District is situated on an elevated marine terrace fronting on the Pacific Ocean. The topography consists of predominantly level lands with gentle slopes on rolling hills and elevations ranging from 50 to 200 feet. About 1,650 acres are devoted to agriculture, with dairy farming and lily bulb cultivation the principal agricultural activities.

McKinleyville is the largest and fastest growing unincorporated area in Humboldt County (see California Coastal Plan, below). It is largely a residential community, with limited commercial and industrial development. Most employed persons who reside in the District are engaged in lumbering, logging, commercial fishing, and agriculture in McKinleyville and vicinity, or are employed in the pulp and wood products plants of the Humboldt Bay Area. The county government offices at Eureka are an added source of employment.

The Arcata-Eureka Airport, principal air terminal serving the northwestern counties of California, is located in the District. The U.S. Coast Guard is presently building an air rescue station at the airport.

Because of its coastal location, the District is subject to certain development control regulations arising from a statewide initiative. These are discussed in the paragraphs that follow.

## California Coastal Plan

An initiative measure (Proposition 20) passed by California voters in November 1972 called for review of permit applications for new construction

within a minimum of 1,000 yards of the ocean, in order to control development. Under the Coastal Conservation Act, six regional commissions and one state commission were established to oversee development along the coast until December 31, 1976, at which time a permanent plan may be adopted by the legislature. Humboldt County is designated as Sub-region 2 in the North Coast Region, which is composed of the three northernmost coastal counties in the state (Del Norte, Humboldt, and Mendocino). After extensive local hearings throughout the state, the commissions submitted their recommendations for a permanent plan to the legislature on December 1, 1975.

The following comments concerning the McKinleyville area are quoted from the December 1, 1975 report:

"Good airport and highway access have made McKinleyville the fastest growing part of the county. Residential expansion has been scattered and widespread through the conversion of much agricultural land. Most residential development in the area utilizes septic systems; however, this area is underlain by a natural hardpan condition that prevents adequate percolation of effluent, and the resulting serious health hazard necessitated the imposition of a building moratorium. Because of these factors, it is recommended that a wastewater facility be developed that meets regional water quality standards. All remaining prime agricultural land shall be protected from conversion to non-agricultural uses."

The District staff estimates that approximately 1,950 acres of the District's total 11,500 acres lie within the Coastal Permit area.

The building moratorium referred to in the above report was imposed by the county in 1973, and generally covers the more thickly populated southern and central portions of the District, south of the airport. The moratorium will remain in effect until such time as suitable wastewater treatment facilities are available in the designated area.

Because of the construction moratorium, comparatively little new residential construction is taking place in the District. Data regarding building permits are not available, inasmuch as Humboldt County does not report permit data for unincorporated areas. Residential construction is proceeding in those parts of the District outside the moratorium area, but the volume of such construction is believed to be comparatively modest.

There are two major blocks of agricultural lands in the Coastal Permit area of the District. One block of about 60 acres is largely in lily bulb cultivation, and has been for many years. A second block of approximately 395 acres along the north bank of the Mad River is primarily used as pasture lands for dairy herds.

Two areas within the Coastal Permit boundary are suitable for future development, according to a Staff Summary of December 1975. One, of about 150 acres in the north, can be developed with facilities to accommodate coastal visitors, while a southern area of approximately 110 acres lends itself to residential development. The granting of permits for any construction within the permit area is by a majority vote of the regional commission, except that a two-thirds vote is required for certain prescribed conditions. By law, the regional commissions cease to exist as of December 31, 1976. Various measures have been introduced in the California Legislature to continue state surveillance of coastal development, but at this point it is not possible to say what form, if any, this surveillance will take.

### **Coast Guard Air Station**

The U.S. Coast Guard is presently constructing a search and rescue facility at the Arcata-Eureka Air Terminal, located within the District. Scheduled for completion in January 1977, the installation will include a hangar for three H52 turbine helicopters, barracks, mess hall, and supporting structures for radio and other equipment. The helicopters will be used for liaison work with water-borne Coast Guard activities based on the Samoa Peninsula, opposite Eureka.

At full operation, the Coast Guard air station will require 20 officers and 80-90 enlisted men, approximately 40 of whom will live in barracks on the base. The Coast Guard plans to construct 62 housing units in the Arcata-Eureka area for those living off base. A location has not yet been determined.

### **Commercial Activity**

Financial services to District residents are provided by Bank of America, Humboldt National Bank, and Humboldt Federal Savings and Loan Association, all of which operate branch offices in the District.

Retail sales activity in the District is centered at McKinleyville Shopping Center, a new commercial complex located west of Central Avenue. The Sprouse-Reitz Department Store, Lewis Department

Store, and a number of specialty shops and restaurants are located here. At the western end of the complex is the "World's Largest Totem Pole", a local tourist attraction.

### **Transportation**

U.S. Highway 101 (the Redwood Highway) traverses the western part of the District from north to south. This highway, a freeway for most of its length, is the principal coastal route through California, Oregon and Washington, serving the major metropolitan areas. State Highway 299, connecting with U.S. 101 less than a mile south of the District, runs easterly to Redding, where it joins Interstate 5 and provides access to the Central Valley of California.

A newly completed county road extends east from McKinleyville to the neighboring community of Fieldbrook, enabling residents of that area to drive into the District for shopping.

Humboldt County is served by one Class I railroad. The Northwestern Pacific (NWP), a wholly-owned subsidiary of the Southern Pacific Transportation Company, provides freight service. The NWP's main line extends from Fairfield, in the San Francisco Bay Area to Eureka. From Eureka, a branch line continues north to Arcata (9 miles) and Korblex (11 miles), serving lumber mills along the tracks and connecting with the Arcata and Mad River Railroad at Korblex, an unincorporated junction point. At Arcata, the 7-mile Samoa branch takes off to serve the pulp mills and lumber mills located on the Samoa Peninsula. These branch lines, plus the main-line south through Fields Landing, provide rail service to all docks located on Humboldt Bay. The Arcata and Mad River Railroad is a standard gauge, common carrier operating between its connection with the NWP, about two miles north of Arcata, and the Simpson Timber Company mill at Korbex, approximately nine miles east.

The Arcata-Eureka Airport, as previously noted, is the county's main air terminal. Its two runways, both 150 feet wide, are 6,000 feet and 4,500 feet long. The airport maintains an Instrument Landing System, a Glide Path System, TVOR and VASI Approach Systems, runway lights, a high-intensity approach lane and an FAA Flight Service Center. Hughes Airwest schedules ten daily flights into the airport, offering air freight as well as passenger service. In 1947, a total of 6,118 persons enplaned at the Arcata-Eureka Airport. By 1950 the number had grown to 14,658. In 1960 the total was 34,980, and



in 1970 it reached 58,316. During the calendar year 1975 an average of 183 people per day enplaned at the terminal, the annual total exceeding 67,000.

Additional air passage to points in northern California and southern Oregon is provided by Eureka Aero, a regional air line operating out of Murray Field, north of Eureka. This field is maintained and operated by Humboldt County.

Local transportation is provided by the Humboldt County Bus Transit System. Greyhound Bus Lines and Redwood Empire Lines provide interurban and regional motor transportation.

## Utilities

Electricity and natural gas are distributed to District residents by Pacific Gas and Electric Company. Telephone service is provided by Pacific Telephone Company.

## Education

Public educational services from kindergarten through the eighth grade are provided by McKinleyville Union School District, which operates three schools in the District. McKinleyville High School is maintained by the Arcata Union High School District, which also operates Pacific Coast High School. The southern portion of the District is served by the Pacific School District. Following are total active enrollments, including evening enrollments for the above three school districts for the most recent three year period.

### SCHOOL DISTRICT ENROLLMENT

#### As of October 31

School District	1973/74	1974/75	1975/76
McKinleyville Union (K-8) .	1,414	1,321	1,278
Pacific (K-8) . . . . .	420	386	394
Arcata Union High (9-12) .	2,579	2,573	2,681

Source: County Superintendent of Schools.

Individual enrollments for the public schools located in the District for the year 1975 are shown in the tabulation opposite. Supplementing the public schools are the educational services of a Seventh Day Adventist School.

Public education beyond high school is available at College of the Redwoods, a two-year institution located south of Eureka, and at Humboldt State University in Arcata (see following section on Humboldt County).

## PUBLIC SCHOOLS IN THE DISTRICT

### Enrollment 1975

Name of School	Grades	1975 Enrollment
Dows Prairie School . . . . .	K-6	519
Morris School . . . . .	K-6	435
McKinleyville Elementary . .	5-8	460
McKinleyville High . . . . .	9-12	832
Pacific Coast High . . . . .	Continuation	66
Total . . . . .		2,312

Source: State Department of Education.

## Community Facilities and Recreation

A unit of the County Library System is located at McKinleyville High School. McKinleyville has adopted the Community Schools Program, patterned after a successful community effort in Flint, Michigan. Under the plan, existing school facilities are utilized for a year-round recreation program, with a full-time coordinator in charge.

Practicing in the District are two physicians, two dentists, and two optometrists. Hospital care is available at Mad River Community Hospital in Arcata, three miles south. This new medical care facility has 87 beds and a staff of 16 physicians. At Eureka, ten miles south of the District, are three general hospitals with a total capacity of 396 beds.

There are 16 churches of various denominations in the District. The Arcata Fire Protection District serves McKinleyville and the Sheriff's Department of Humboldt County provides police protection to the area.

Beau Pre Golf Course, a public course recently expanded to 18 holes, is located east of Central Avenue and immediately north of the new county road to Fieldbrook, in the north central part of the District.

Local and regional news coverage is provided by the Times Standard, published in Eureka seven days a week. The Arcata Union is published weekly.

Two commercial television stations, KIEM-TV (Channel 3) and KVIQ-TV (Channel 6), both in Eureka, feature primarily network offerings. A third television station, KEET-TV (Channel 13) began operations in early 1969 as an educational channel. Humboldt Bay Cable TV supplies four additional channels (from the San Francisco Bay area) to subscribers paying a monthly fee.

There are seven radio broadcasting stations: KATA, KHSU-FM and KXGO-FM in Arcata, KNCR in Fortuna, and KINS, KFMI-FM, and KRED in Eureka. KRED is affiliated with KIEM-TV, and KFMI-FM is affiliated with KINS radio.

Cultural, recreational, and educational programs of wide popular appeal are regularly scheduled by College of the Redwoods and Humboldt State University, both within a few minutes' drive of the District. Evening undergraduate college courses are offered at McKinleyville High School, under the auspices of College of the Redwoods.

With numerous lakes, streams, mountains, and the Pacific Ocean nearby, District residents have a wide variety of outdoor recreational opportunities within convenient distance. Clam Beach County Park is a popular area for day-use activities. Commercial and sport fishing boats operate out of Trinidad Bay and Humboldt Bay, both within a few miles of the District. Each year McKinleyville hosts the world championship Logging Olympics, a popular tourist attraction.

## HUMBOLDT COUNTY

The Spanish explorers Bodega and Hecata made the first recorded landing in what is now Humboldt County, entering and naming Trinidad Bay in 1775. By 1850, settlements had been established at the present sites of Arcata and Eureka, on Humboldt Bay. Waters of the Bay provide the only deepwater port between San Francisco and Portland. The famous German explorer, Alexander von Humboldt, gave his name to both the county and the bay. The county was incorporated on May 12, 1853, adopting its present name at that time.

Humboldt County is located on the Pacific Coast between Del Norte County (north) and Mendocino County (south). Siskiyou and Trinity Counties form the eastern boundary. The county has seven incorporated cities: Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell, and Trinidad. Eureka is the county seat and largest city, with a population of more than 24,000. It is situated 270 miles north of San Francisco and 100 miles south of the Oregon state line, extending along the eastern shore of 14-mile-long Humboldt Bay.

Humboldt County is governed by a five-member Board of Supervisors. The major elected officials are the Assessor, Auditor-Controller, Coroner-Public Administrator, County Clerk, District Attorney, Recorder, Sheriff, and Treasurer-Tax Collector. The

County employs a County Administrative Officer to assist the Board of Supervisors in the administrative operations of the County.

In 1968 the county and its cities formed an Association of Governments to assist in coordinating local government functions in Humboldt County, and to serve as the area clearinghouse for State and Federally assisted projects. The Chairman of the Board of Supervisors and Mayors of the various cities are members of the Association.

Leading industries in the county are lumber and wood products, tourism, and commercial fishing. Humboldt has the second largest acreage of commercial forest land (after Siskiyou) among California counties, and is number one in private forest lands (1,283,000 acres). The bulk of timber production is veneer logs (for plywood) and sawlogs. Two large pulp mills on the Samoa Peninsula, opposite Eureka, add stability to the local industrial base by smoothing out seasonal employment fluctuations characteristic of logging and sawmill activities.

Tourism is an expanding industry in the county. More than 34 percent of the county's 121.3 miles of coastline is in public ownership. Combined with private lands available to the public, this means that over 65 percent of the county's coastline is available for public use.

Within the county's 3,573 square miles are ten state parks, sixteen county parks, two fish hatcheries, a national wildlife refuge, portions of Six Rivers National Forest, and portions of the newly established Redwood National Park.

## Population

The 1976 population of Humboldt County is estimated at 105,000 persons by the State Department of Finance. This is slightly higher than the 1960 Federal Census tabulation. After growing 51 percent between 1950 and 1960, the county's population decreased 5 percent in the decade of the sixties, mainly because of a tapering off of the lumber boom.

About half of all county residents live on the coastal plain, within 20 miles of Humboldt Bay. Approximately 80 percent live along U.S. 101, principal highway through the county.

U.S. Census reports since 1940 and the most recent population estimate are presented on the page opposite.

Populations of the county's cities, as estimated by the State Department of Finance at January 1, 1976, are as follows: Eureka (24,600), Arcata (12,000),



Fortuna (4,590), Rio Dell (2,910), Ferndale (1,430), Blue Lake (1,220), and Trinidad (370).

## HUMBOLDT COUNTY

### Population Statistics

Year	Population	Percent Change
1940 .....	45,812	6.0%
1950 .....	69,241	51.1
1960 .....	104,892	51.5
1970 .....	99,692	(5.0)
1976 .....	105,000	5.3

Sources: U.S. Census Bureau, 1940-70.

State Dept. of Finance, January 1, 1976 estimate.

### Housing

The 1970 Census of Housing reported 35,085 year-round housing units in Humboldt County, of which approximately 79 percent were single-family homes, over 14 percent were multiple housing units, and the remainder were mobile homes. The median value of owner-occupied homes was \$15,800, compared with \$13,400 in Del Norte County and \$16,800 in Mendocino County. Median monthly rental was \$78. Comparable figures for the two neighboring counties were \$70 and \$76, respectively.

## HUMBOLDT COUNTY

### Nonagricultural Wage and Salary Employment

	Annual Averages				Month of March 1976
	1972	1973	1974	1975	
Construction and Mining .....	975	1,000	1,050	1,025	925
Manufacturing .....	9,350	9,350	8,925	7,750	7,850
Lumber, Wood Products .....	8,150	8,200	7,675	6,500	6,425
Food Products .....	650	550	600	600	775
Other .....	550	600	650	650	650
Transportation, Utilities .....	2,150	2,250	2,350	2,200	2,050
Wholesale Trade .....	1,050	1,175	1,150	1,025	1,000
Retail Trade .....	5,375	5,700	5,800	5,850	5,700
Finance, Insurance, Real Estate .....	975	1,050	1,125	1,125	1,125
Services .....	4,950	5,575	5,900	6,025	6,050
Government .....	8,500	8,525	9,200	9,550	9,525
Federal .....	625	625	675	725	700
State and Local .....	7,875	7,900	8,525	8,825	8,825
Total .....	33,325	34,625	35,500	34,550	34,225

Source: State Department of Employment Development.

## Employment

The principal sources of employment in Humboldt County are government, manufacturing, and trade, in that order. Within these major categories, most job opportunities are found in state and local government, the wood products industry, and retail trade. The service occupations represent the fourth leading source of employment.

As of March 1976, a total of 37,150 Humboldt County residents were employed, out of a labor force of 44,800. The resulting March 1976 unemployment rate of 17.1% compares with 18.9% in January 1976 and 17.4% in February 1976, according to the State Department of Employment Development.

The tabulation at the bottom of the page presents the distribution of nonagricultural employment in Humboldt County by industry since 1972. As noted, the fastest growing categories of employment in the county have been services, finance, and government. Agricultural employment has remained relatively consistent throughout the period at an average annual rate of 1,425 jobs. This will slowly decline, according to state analysts, as mechanization and improved farm techniques displace manpower on the farms.

On page 22 is a list of major employers in Humboldt County. The largest employers are Louisiana-Pacific Corporation, Simpson Timber Company, County of Humboldt, Pacific Lumber Company, and Humboldt State University.

## LARGEST EMPLOYERS IN HUMBOLDT COUNTY

### 100 or More Employees

Employer	Product/Service	No. of Employees
Louisiana-Pacific Corp. ....	Pulp, lumber, and wood products	1,773
Simpson Timber Co. ....	Lumber and wood products	1,700
Humboldt County ....	Government	1,320
Pacific Lumber Co. ....	Lumber and wood products	1,100
Humboldt State University ....	Education	929
Pacific Gas and Electric Co. ....	Utilities	425
Arcata Redwood Co., Div. of Arcata National Corp. ....	Lumber and wood products	402
Arcata Plywood Corp. ....	Plywood	391
Eureka Fisheries, Inc. ....	Seafood packers	350
Cal-Pacific Mfg. Co. ....	Lumber and wood products	303
Lazio's Seafoods ....	Seafood packers	275
Pacific Telephone ....	Utilities	249
St. Joseph Hospital ....	Hospital	249
General Hospital ....	Hospital	245
Crown Simpson Pulp Co. ....	Wood pulp	210
Redwood Construction Co. Inc. ....	Motorfreight and warehousing	205
Bank of America NT & SA ....	Bank	203
Safeway Stores, Inc. ....	Retail food products	200
Carolina-Pacific Plywood, Inc. ....	Plywood	200
Sea View Convalescent Hospital ....	Convalescent hospital	187
Sears, Roebuck & Co. ....	Retail department store	179
Halvorsen Lumber Products ....	Lumber and wood products	175
Daly's Department Store ....	Retail department store	177
R. H. Emmerson & Son, Div. of Sierra Pacific Industries .	Lumber and wood products	165
Sunset Rest Home ....	Rest home	155
McNamara & Peepe ....	Lumber and wood products	150
Hoopa Veneer Company ....	Lumber and wood products	148
Lumberjack Enterprises ....	Restaurants	144
Eureka City High School District ....	Education	135
Montgomery Ward & Co. ....	Retail department store	132
Northwestern Pacific Railroad Co. ....	Railway	125
Humboldt Newspapers, Inc. ....	Newspaper publishers	124
Eel River Sawmills, Inc. ....	Lumber and wood products	121
Mercer-Fraser Co. ....	Contractor	111
Redwood Memorial Hospital ....	Hospital	111
Times-Standard ....	Newspaper publishers	110
Wallace Security Agency, Inc. ....	Guard and patrol service	107
Eureka Industrial Park ....	Real estate	102

Source: Humboldt County Council of Chambers of Commerce and original sources.



## Personal Income

Total personal income of county residents neared one-half billion dollars in 1973 (most recent data available). Over 62 percent of this total was in the form of wages and salaries. Personal income per capita during the year was \$4,507. The distribution of personal income countywide is presented in the following summary.

### HUMBOLDT COUNTY

#### Personal Income 1973

Source	Amount
Wages and Salaries .....	\$290,840,000
Other Labor Income .....	13,419,000
Proprietors Income .....	56,137,000
Property Income .....	59,386,000
Transfer Payments .....	68,535,000
Less: Social Insurance Contributions .	(22,153,000)
Residence Adjustment .....	1,611,000
Total .....	\$467,775,000

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis.

## Industry

Private employers and government entities in the county reporting wages paid in 1974 under various payroll withholding programs reported a total of approximately \$320 million in wages paid during the year. Employers in manufacturing accounted for 31 percent of this total. Over three-fourths of all wages paid to employees in manufacturing are accounted for by the lumber and wood products industry. In addition, over six percent of total wages are paid to employees of pulp mills (classified in the paper industry).

Humboldt County is California's leading lumber producing county with more than one-fourth of the state's annual timber cut. Production has exceeded one billion board feet annually since the mid-fifties. Wood products include all types of lumber, poles and piling, veneer, plywood, pulp, wood fiber, particleboard, fence posts, shingles, lath, and furniture.

Although the per capita consumption of sawmill lumber in the nation has declined over the past decade, consumption of plywood and wood pulp has increased more rapidly than has the population. This has worked to benefit Humboldt County, which produces both plywood and pulp.

In 1965, the Georgia-Pacific Corporation established a pulp mill on the Samoa Peninsula, providing a new industry for Humboldt County in the manufacturing of wood pulp. Another pulp mill operation was established in 1967 as a joint venture by Crown Zellerbach Corporation and Simpson Timber Company. Both of these operations manufacture wood pulp which is water-shipped to plants elsewhere for conversion into paper products.

The two large pulp mills now in operation have been beneficial to the county's economy in several ways. In addition to steady employment in the mills, the pulp industry requires a significant number of wood chip truck drivers, thereby adding jobs in the transportation sector. The pulp mills can utilize virtually any kind of waste timber, and hence do not compete with veneer log production.

According to the Humboldt County Assessor, the most valuable taxable properties in the county in January 1974, based on appraised value, were the following:

Crown-Simpson pulp mill, Fairhaven .	\$41,000,000
Louisiana-Pacific pulp mill, Samoa ..	33,300,000
PG&E atomic power plant, Spruce Point .....	29,400,000
Pacific Lumber Company mills, Scotia	17,400,000
Simpson Timber Company sawmill, Korbelt .....	7,300,000
Louisiana-Pacific sawmill, Samoa ...	6,450,000
Louisiana-Pacific plywood mill, Samoa	5,700,000
Pacific Lumber sawmill, Fortuna ....	4,000,000
Humboldt Flakeboard, particleboard plant, Arcata .....	3,200,000
Simpson Timber, remanufacture plant, Arcata .....	3,080,000

With the exception of the nuclear power generating plant of the Pacific Gas and Electric Company, all properties on this list are owned by forest products concerns. The following comments describe the largest firms in this industry.

*Louisiana-Pacific Corporation.* Largest employer in Humboldt County, this firm was incorporated in 1972 as a wholly owned subsidiary of Georgia-Pacific Corporation. Pursuant to a settlement with the Federal Trade Commission, Georgia-Pacific distributed all of its stock in the subject company to its stockholders in 1973.

Louisiana-Pacific is an integrated manufacturer of a wide range of forest products, including plywood, particleboard, lumber, chemical wood pulp, kitchen cabinets, doors and windows. Annual sales approximate \$400 million. The company employs 8,300

nationwide, and over 1,700 at local plants. It is presently adding 100 million square feet to the production capacity of its Arcata flakeboard plant, and is installing a \$10 million boiler-turbine generator addition at the Samoa pulp mill. The new boiler will enable the company to burn wood waste instead of natural gas or fuel oil.

The company's Samoa Division maintains a tree farm of 125,300 acres in Humboldt County. The company's annual report claims that it is the second largest lumber producer in the world, and the nation's leading supplier of redwood.

*Simpson Timber Company.* This closely held firm, the county's second largest employer, was established in 1890. It produces redwood and fir lumber and plywood specialties at plants in Arcata, Eureka, Fairhaven, and Korbel, all in Humboldt County, and at Klamath in Del Norte County. Since the stock is not publicly traded, operating data are not available.

*Crown-Simpson Pulp Company.* This company is a joint venture of Simpson Timber Company and the Crown Zellerbach Corporation of San Francisco, a large national paper products manufacturer. In the mid-sixties, the company built a pulp mill at Samoa with a daily capacity of 500 tons of wood pulp, the same output capacity as the Louisiana-Pacific pulp mill. Operating and financial data for the company are not available.

*Pacific Lumber Company.* Established in 1869, this company produces redwood and Douglas fir lumber and plywood at plants in Scotia and Fortuna. Annual sales approximate \$130 million. The company owns 161,000 acres of timberland in Humboldt County, plus extensive lands elsewhere. At Scotia, properties include three main sawmills, lumber dry-

ing yards, dry kilns, a planing mill, a veneer and plywood plant, generating plant, water treatment plant, and related facilities. Through subsidiaries, the company produces paint brushes, welding and fluid power equipment, and regulation and control instruments.

## Trade

Taxable transactions in Humboldt County exceeded \$324 million in 1975, compared with approximately \$182 million in 1970. During the same period, the number of outlets reporting taxable sales increased by 350. About 73 percent of all taxable sales pass through retail establishments.

The steady growth in commercial activity over the past five years is reflected in the summary at the bottom of the page.

## Construction Activity

Building permits valued at nearly \$90 million were issued in Humboldt County by county and municipal officials during the five years ending in 1975. About 63 percent of this total dollar volume consisted of residential construction. Slightly less than two-thirds of all new housing units represented by these permits were single-family homes.

As noted in the summary on the next page of building permit valuation by individual years, total valuation exceeded \$20 million annually in both 1974 and 1975, a level substantially higher than that prevailing in the immediately preceding years. It appears that this level will be equalled or exceeded in 1976, based on permits for the first four months of the year.

## HUMBOLDT COUNTY

### Taxable Transactions 1970-75 (\$000 Omitted)

Year	Retail Outlets		All Outlets	
	Permits	Transactions	Permits	Transactions
1970 .....	1,173	\$132,658	2,870	\$182,349
1971 .....	1,204	151,414	2,949	207,244
1972 .....	1,224	182,026	3,053	246,673
1973 .....	1,253	211,791	3,144	286,372
1974 .....	1,236	226,799	3,124	316,809
1975 .....	1,237	237,016	3,220	324,602

Source: State Board of Equalization.



## HUMBOLDT COUNTY

### Building Permit Valuation

(\$000 Omitted)

Type of Construction	1971	1972	1973	1974	1975	1976 (4 Mos.)
Residential .....	\$ 7,112	\$10,711	\$11,183	\$13,418	\$14,346	\$5,042
New Commercial .....	1,586	2,535	3,642	3,079	2,552	1,319
New Industrial .....	634	355	768	3,608	709	105
Other Nonresidential .....	2,995	2,575	1,956	3,168	2,807	1,256
Total Value .....	\$12,327	\$16,176	\$17,549	\$23,273	\$20,414	\$7,722
Number of New Dwelling Units:						
Single .....	270	330	290	340	350	106
Multiple .....	74	209	268	203	71	36
Total Units .....	344	539	558	543	421	142

Source: "California Construction Trends," Security Pacific Bank.

## Agriculture

Agriculture is among the most important of Humboldt County industries, with farms comprising 34.4 percent of Humboldt's land area of 2,286,720 acres. In 1971, when the last full farm survey was made, agricultural acreage totaled 786,165 acres on 910 farms of an average size of 863.9 acres.

Farm production in Humboldt County is dominated by livestock and dairy products. In 1975, market and manufacturing milk together were valued at \$12,056,000, over half the total value of agri-

cultural products for the year. Sheep production in the county is declining as more ranches turn to beef cattle.

Potatoes grown in Humboldt County are mostly the potato chip variety. This is the county's most important vegetable crop, with gross values exceeding \$25 million for the past two-year period.

Below is a summary of farm production values by major commodity in Humboldt County for the past four years.

## HUMBOLDT COUNTY

### Gross Value of Agricultural Production

Commodity	1972	1973	1974	1975
Field crops .....	\$ 2,726,256	\$ 4,326,233	\$ 4,576,536	\$ 5,533,537
Vegetables .....	1,116,558	1,261,408	1,498,146	1,211,537
Fruits and nuts .....	14,640	27,114	29,987	44,538
Nursery stock .....	617,657	1,209,139	1,617,435	1,584,834
Livestock and poultry .....	3,394,021	4,820,182	3,968,190	2,396,609
Animal products .....	8,679,364	10,356,137	10,459,198	12,165,705
Miscellaneous .....	7,175	2,323	3,157	2,504
Total .....	\$16,555,671	\$22,002,536	\$22,152,649	\$22,939,264

Source: County Department of Agriculture.

## Commercial Fishing

Over half of the fish produced and consumed in California is landed in Humboldt Bay, making the Port of Eureka California's leading fresh fish and shellfish producer. Trawling is a year-round occupation. Between 100 and 200 commercial vessels are registered on the Bay, with 500 or 600 others from nearby ports utilizing the Eureka facilities in the course of each year. Some fishery products, such as crab, salmon and shrimp from other North Coast waters, are imported for processing in Eureka. The annual fresh fish and shellfish catch of local vessels is over 30 million pounds; the industry's annual value to the economy is estimated as in excess of \$15 million, according to the regional Federal Programs Administrator.

## Utilities

The Pacific Gas and Electric Company supplies electric power throughout the county and natural gas to the Humboldt Bay area, including the District.

Humboldt County has the only active nuclear steam plant in the PG & E system, located on the coast south of Eureka. Total capacity of the plant is 173 megawatts, including a 63-megawatt nuclear unit. Two other units, rated at 55 megawatts each, are fired by natural gas or fuel oil.

The nuclear unit will be out of operation for several months, effective June 30, 1976, for refueling, routine maintenance, and certain modifications.

## Education

Primary and secondary public education in Humboldt County is provided by 29 elementary school districts, four high school districts, and two unified (K-12) districts. Active enrollment as of October 31 for each of the past three years has been as shown at the bottom of the page for the county's public school districts.

In addition to the public schools, there are seven parochial or private elementary schools and a parochial high school in the county.

Post-secondary public education in the county is available at College of the Redwoods, a two-year community college located south of Eureka. Administered by the Redwoods Community College District, this institution enrolled over 6,000 students in 1975. It serves portions of Mendocino and Trinity Counties as well as Humboldt County.

Humboldt State University at Arcata was established in 1913 as a normal school for teacher training, and is now part of the 19-campus State University and College System. The University enrolled 7,261 students in 1975, and offers a broad range of studies. There are 44 undergraduate majors and master's degrees in 19 fields. The University is nationally recognized for its programs in natural resources.

The 145-acre campus has 40 permanent buildings. Expansion of the library to triple its present size is underway. The University operates a Marine Sciences Laboratory at Trinidad Bay, 15 miles north of the main campus.

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## HUMBOLDT COUNTY

### Public School Enrollment

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Type of District	1973/74	1974/75	1975/76
Elementary School Districts (29) .....	12,078	11,407	11,044
High School Districts (4) .....	10,346	10,776	11,468
Unified Districts (2) .....	2,465	2,489	2,510
Special Education Classes .....	137	131	98
Total .....	25,026	24,803	25,120

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Source: County Superintendent of Schools.

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